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DEC 15 2008

In re Application of	:
Santiago A. Olavarria	:
Application No. 10/047,274	:
Patent No. 6/740,348	:
Filed: October 23, 2001	:
Issue Date: May 25, 2004	:
Title: PRESS-FORMED GRAIN	:
SNACKS AND PROCESS THEREFOR	:

This is a decision on the letter that was received on September 23, 2008, which is being treated as a renewed petition pursuant to 37 C.F.R. §1.378(e), requesting reconsideration of a prior decision pursuant to 37 C.F.R. §1.378(b), which refused to accept the delayed payment of maintenance fees for the above-referenced patent

The patent issued on May 25, 2004. The grace period for paying the 3½-year maintenance fee provided in 37 C.F.R. § 1.362(e) expired at midnight on May 25, 2008, with no payment received. Accordingly, the patent expired on May 25, 2008.

An original petition pursuant to 37 C.F.R. § 1.378(b) was filed on June 6, 2008 by the Assignee of record. Petitioner submitted a portion of the 3½-year maintenance fee, the surcharge associated with a petition to accept late payment of a maintenance fee as unavoidable, and a statement of facts.

The petition was dismissed via the mailing of a decision on September 4, 2008, which indicated that Petitioner included the surcharge that is associated with the filing of the petition, and a portion of the maintenance fee (\$450 was included when \$465 was due).

Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. § 1.378(b) must include:

- (1) the required maintenance fee set forth in 37 C.F.R. § 1.20 (e) through (g);
- (2) the surcharge set forth in 37 C.F.R. § 1.20(i)(1); and;
- (3) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent - the showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

With this renewed petition, Petitioner has submitted the \$15 deficiency towards the maintenance fee, along with the \$400 that is required for the filing of a petition pursuant to 37 C.F.R. 1.378(e).

Therefore, to date, Petitioner has submitted the \$465 maintenance fee, the \$700 surcharge, and the \$400 fee that is associated with the filing of this renewed petition.

Petitioner has met the first and second requirements set forth in 37 C.F.R. § 1.378(b). Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee and surcharge, as set by 35 U.S.C. 41(c) and 37 C.F.R. § 1.378(b)(3). A discussion of the third requirement follows.

The standard

35 U.S.C. §41(c)(1) indicates that the Director may accept the payment of any maintenance fee after the six-month grace period if the delay¹ is shown to the satisfaction of the Director to have been unavoidable.

§1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 37 C.F.R. §1.137(a). This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word 'unavoidable' ... is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business.²

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account." Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable."³

An adequate showing that the delay in payment of the maintenance fee at issue was unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 C.F.R. § 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 C.F.R. § 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 C.F.R. § 1.378(b).

1 This delay includes the entire period between the due date for the fee and the filing of a grantable petition pursuant to 37 C.F.R. § 1.378(b).

2 In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff'd, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

3 Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

The burden of showing the cause of the delay is on the person seeking to revive the application.⁴

A delay caused by an applicant's lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP is not rendered "unavoidable" due to either the applicant's reliance upon oral advice from USPTO employees or the USPTO's failure to advise the applicant to take corrective action.⁵

Portions of the Code of Federal Regulations and MPEP that are relevant to the abandonment of this application

37 C.F.R. § 1.362 sets forth, *in toto*:

- (a) Maintenance fees as set forth in §§ 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.
- (b) Maintenance fees are not required for any plant patents or for any design patents. Maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees.
- (c) The application filing dates for purposes of payment of maintenance fees are as follows:
 - (1) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.
 - (2) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119, the United States filing date of the application.
 - (3) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.
 - (4) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original non-reissue application on which the patent reissued is based.
 - (5) For an international application which has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.
- (d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:
 - (1) 3 years through 3 years and 6 months after grant for the first maintenance fee,
 - (2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and
 - (3) 11 years through 11 years and 6 months after grant for the third maintenance fee.
- (e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:

⁴ Id.

⁵ See *In re Sivertz*, 227 USPQ 255, 256 (Comm'r Pat. 1985).

- (1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.
- (2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and
- (3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.
- (f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.
- (g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.
- (h) The periods specified in §§1.362 (d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based.

[49 FR 34724, Aug. 31, 1984, added effective Nov. 1, 1984; paras. (a) and (e), 56 FR 65142, Dec. 13, 1991, effective Dec. 16, 1991; paras. (c)(4) and (e) revised and para. (h) added, 58 FR 54504, Oct. 22, 1993, effective Jan. 3, 1994]

MPEP 2515 Information Required for Submission of Maintenance Fee Payment states, *in pertinent part*:

If a patent expires because the maintenance fee and any necessary surcharge have not been paid in the manner required by 37 C.F.R. 1.366, the patentee could proceed under 37 C.F.R. 1.378 (see MPEP § 2590), if appropriate, or could file a petition under 37 C.F.R. 1.377 (see MPEP § 2580) within the period set therein seeking to have the maintenance fee accepted as timely even though not all of the required identifying data was present prior to expiration of the grace period.

MPEP 2575 sets forth, *in pertinent part*:

Under the statutes and the regulations, the Office has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to ensure that the maintenance fees are paid to prevent expiration of the patent. The Office will, however, provide some notices as reminders that maintenance fees are due, but the notices, errors in the notices or in their delivery, or the lack or tardiness of notices will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by operation of law. The notices provided by the Office are courtesies in nature and intended to aid patentees. The Office's provision of notices in no way shifts the burden of

monitoring the time for paying maintenance fees on patents from the patentee to the Office.

Application of the standard to the current facts and circumstances

With the original petition, Petitioner has submitted a statement of facts where he asserted that the attorney who prosecuted this application, Mr. Garbo, "passed away about three years ago." Mr. Garbo's daughter, who lived with her father, forwarded all mail to Petitioner. Petitioner was unaware that the daughter subsequently sold the home and ceased forwarding any mail to Petitioner, although the original petition is silent as to both when this sale took place, when the daughter ceased forwarding mail to Petitioner, and when Petitioner learned of these two developments.

The period for paying the 3½-year maintenance fee without the surcharge extended from May 25, 2007 to November 25, 2007 and for paying with the surcharge from November 26, 2007 to May 25, 2008. Thus, the delay in paying the 3½-year maintenance fee extended from May 25, 2008 at midnight to the filing of the original petition on June 6, 2008.

It appears that the petition was filed promptly after the patentee became aware of the expiration of the patent, however Petitioner has failed to establish that the entire period of delay was unavoidable.

First, Petitioner has established that he had actual knowledge that the attorney who prosecuted this application had passed on, and he relied on the attorney's daughter to forward all mail to him. It does not appear that Petitioner retained alternate counsel⁶ or contracted with any alternate business entity to track the due dates for the maintenance fees. As such, **the record does not support a finding that Petitioner instituted steps to ensure timely payment of the maintenance fee.** As set forth above, where the record fails to disclose that a patentee took reasonable steps to ensure timely payment of the maintenance fee, 35 U.S.C. § 41(c) and 37 C.F.R. § 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 C.F.R. § 1.378(b).

⁶ It is not clear if the deceased attorney represented Petitioner.

Secondly, it has not been shown that **reasonable care** was taken to ensure that the maintenance fee would be paid timely. The deceased attorney's address was and is the official address of record. A reasonable man, acting in relation to his most important business, would have at the very least changed the correspondence address of record upon learning that the attorney had died. Instead, Petitioner relied on having mailings forwarded to him in perpetuity.

Third, it is noted in passing that Petitioner appears to have expected to receive a maintenance fee reminder from the Office. As noted above, Petitioner has stated that he relied on the daughter of the deceased to forward any mail to him. This statement is being construed to mean that he relied on her to forward the maintenance fee reminder statements that are mailed by the Office, since it does not appear that there are any other mailings which Petitioner could be referring to that would be relevant to the failure to timely submit the maintenance fee.

As such, it appears that the reason that Petitioner did not have any steps in place for monitoring the timely payment of the maintenance fees for this patent is because he instead relied on the Office to provide notice of the same.

As set forth in MPEP § 2575, reproduced above, the Office mails these notices as a courtesy, and has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the Patentee to ensure that the maintenance fees are timely submitted, and the lack of a notice will not relieve a patentee from his responsibility to ensure that the maintenance fees are paid in a timely manner. As such, **the failure of a patentee or his/her representative to receive a reminder notice cannot establish that the failure to timely submit the maintenance fee was unavoidable.**

Conclusion

Any response to this inquiry must be filed within **ONE MONTH** of the mailing date of this communication. **This time period is not extendable.** After decision on the petition for reconsideration and the response to this inquiry, no further reconsideration or review of the matter will be undertaken by the Commissioner. Accordingly, on request for reconsideration, it is extremely important that petitioner supply any and all relevant information and documentation in order to meet his burden of

showing unavoidable delay. This includes statements by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Petitioner must provide documentation and address the deficiencies noted above. If on response to this inquiry, the delayed payment of the maintenance fee is not accepted, then the maintenance fee is subject to refund following the decision on the petition for reconsideration, or after the expiration of the time for responding to this inquiry, if none is filed.

Alternate Venue

Petitioner may also wish to consider filing a petition under the unintentional standard, 37 C.F.R. § 1.378(c). Petitioner should be made aware that the standard associated with a petition filed under this section is far less stringent than the standard associated with a delay asserted to be "unavoidable". As the requirements of 37 C.F.R. § 1.378(b) are more exacting than the corresponding requirements of 37 C.F.R. § 1.378(c), a petition under the former is significantly less likely to be grantable as filed than is a petition under the later. A blank form that can be used in filing a petition under 37 C.F.R. § 1.378(c) may be found here: <http://www.uspto.gov/web/forms/sb0066.pdf>.

Petitioner will note that a third option is to concurrently file both a response to this inquiry and a petition pursuant to Rule 1.378(c). If the lesser expensive petition is granted, the fee that is associated with the more expensive petition will be refunded to Petitioner.

Any response to this inquiry should indicate in a prominent manner that the attorney handling this matter is Paul Shanoski, and may be submitted by mail,⁷ hand-delivery,⁸ or facsimile.⁹ Registered users of EFS-Web may alternatively submit a response to this decision via EFS-Web.¹⁰

If responding by mail, Petitioner is advised not to place the undersigned's name on the envelope. Only the information that appears in the footnote should be included - adding anything

⁷ Mail Stop Petition, Commissioner for Patents, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA, 22313-1450.

⁸ Customer Window, Randolph Building, 401 Dulaney Street, Alexandria, VA, 22314.

⁹ (571) 273-8300- please note this is a central facsimile number.

¹⁰ <https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html>

else to the address will delay the delivery of the response to the undersigned.

It is noted that the address listed on the petition differs from the address of record. The application file does not indicate a change of correspondence address has been filed in this case, although the address given on the petition differs from the address of record. If Petitioner desires to receive future correspondence regarding this patent, the change of correspondence address must be submitted. A courtesy copy of this decision will be mailed to Petitioner. However, all future correspondence will be directed to the address of record until such time as appropriate instructions are received to the contrary. Petitioner will not receive future correspondence related to this patent unless Change of Correspondence Address, Patent Form (PTO/SB/123) is submitted for the above-identified patent. For Petitioner's convenience, a blank Change of Correspondence Address, Patent Form (PTO/SB/123), may be found here: <http://www.uspto.gov/web/forms/sb0123.pdf>.

The general phone number for the Office of Petitions that should be used for status requests is (571) 272-3282. Telephone inquiries regarding this decision should be directed to the undersigned at (571) 272-3225.¹¹

/Paul Shanoski/
Paul Shanoski
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Office of Petitions

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¹¹ Petitioner will note that all practice before the Office should be in writing, and the action of the Office will be based exclusively on the written record in the Office. See 37 C.F.R. § 1.2. As such, Petitioner is reminded that no telephone discussion may be controlling or considered authority for Petitioner's further action(s).